

## **Idaho Public Utilities Commission**

Case No. IPC-E-12-29, Order No. 32713

February 20, 2013

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### **Parties propose one-year suspension of load control programs**

A proposed settlement would allow Idaho Power Company a one-year suspension of two programs that pay participating customers to reduce use of their air conditioners and irrigation sprinklers during times of peak energy use in the summer months. The suspension would allow time for Idaho Power to modify the programs to make them more cost-effective from 2014 and beyond.

The Idaho Public Utilities Commission is taking comments on the proposed settlement through March 11.

Due primarily to the economic downturn, Idaho Power claims its own generating plants can now meet summer peak demand up until at least 2016, eliminating the need for the A/C Cool Credit and Irrigation Peak Rewards programs. Suspending the programs will benefit all customers, Idaho Power said, because it will reduce the annual Power Cost Adjustment (PCA) surcharge or increase the credit when the PCA is renewed on June 1. Idaho Power claims it spent about \$5.5 million on the A/C Cool Credit program in 2012 and about \$12.3 million on Irrigation Peak Rewards. Much of that expense was in direct payments to customers who volunteer to participate in the programs.

Idaho Power anticipates that at least 85 percent of customers who signed up to participate in the “A/C Cool Credit,” and Irrigation Peak Rewards programs will keep the load-control devices the company installed on their properties while the company, commission staff and other parties determine how the programs should be operated from 2014 forward.

The settlement proposes that A/C Cool Credit participants receive a “continuity payment” of \$1 each month during the three summer months of 2013 even though air conditioners will not be remotely cycled by the company. The company will remove the devices if customers request it, but if they want to re-join the program before Jan. 1, 2015, they would be charged an \$85 re-connection fee.

Irrigators would also receive continuity payments, under the proposed settlement, but the payment amounts vary depending on which Peak Reward option irrigators chose.

Parties agreeing to the settlement include the company, commission staff, the Idaho Irrigation Pumpers Association, Idaho Conservation League and the Snake River Alliance.

The "A/C Cool Credit" and "Irrigation Peak Rewards" programs were created in 2003 and 2004, respectively, to reduce demand on Idaho Power's generation system during peak-use times when Idaho Power did not have enough generation on its own system to meet demand. During 2012, these two programs and another program targeted to commercial and industrial customers provided about 367 MW of peak reduction.

Residential customers who signed up for the air conditioning program were credited \$7 each month for the three summer months to allow Idaho Power to remotely cycle air conditions or heat pumps on and off during peak use periods.

In the irrigation program, Idaho Power was able to turn off irrigation pumps through the use of an electric switch connected to customers' electrical panels.

Comments are accepted through March 11 via e-mail by accessing the commission's homepage at [www.puc.idaho.gov](http://www.puc.idaho.gov) and clicking on "Comments & Questions About a Case." Fill in the case number (IPC-E-12-29) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A full text of the commission's order, the proposed settlement and other documents related to this case, is available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to the above case number.

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